



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Deputy Director, Strategic Planning

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www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners.*



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February 22, 2013

TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Mitchell H. Katz, M.D.
Director

SUBJECT: **NOTIFICATION OF THE DEPARTMENT OF HEALTH
SERVICES' USE OF DELEGATED AUTHORITY TO
AMEND THE CONSULTING SERVICES AGREEMENT
WITH HEALTH MANAGEMENT ASSOCIATES, INC.**

This is to advise the Board that the Department of Health Services (DHS) has exercised its delegated authority, approved on December 4, 2012 (attached), to execute an amendment to the Consulting Services Agreement (No. H-704934) with Health Management Associates, Inc. related to DHS' receipt of a \$200,000 grant from the Blue Shield of California Foundation for the Building an Integrated Safety Net Project.

The amendment adds project-specific deliverables, extends the Agreement term through December 31, 2013, and increases the County's maximum obligation by the \$200,000 final grant award.

County Counsel has reviewed and approved the amendment.

If you have any questions or need additional information, please let me know.

MHK:az

Attachment

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors



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December 04, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO AGREEMENT WITH HEALTH
MANAGEMENT ASSOCIATES FOR CONSULTANT SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to amend the Consultant Services Agreement with Health Management Associates to extend the Agreement term for an additional six months, add deliverables to the scope of work, and increase the County's maximum obligation. The Department of Health Services is also requesting delegated authority to execute future amendments to: a) add additional deliverables and extend the Agreement term contingent upon receipt of, a grant from the Blue Shield of California Foundation, and b) extend the Agreement term for completion of all deliverables, at no additional cost.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute Amendment No. 6 to Consulting Services Agreement No. H-704934 (Agreement) with Health Management Associates (HMA), effective upon Board approval, to: a) extend the Agreement term for the period January 1, 2013 through June 30, 2013, for the continued provision of Consultant Services to the Department of Health Services (DHS or Department), at a cost of \$207,600 for the extended period, and b) increase the County's maximum obligation under the Agreement to \$2,127,806.
2. Delegate authority to the Director, or his designee, to execute a future

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

24 December 4, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Amendment to the Agreement contingent on DHS's receipt of Blue Shield of California Foundation's (BSCF) \$250,000 grant for the Building an Integrated Safety Net Project (Project), to add Project-specific deliverables, extend the Agreement term to December 31, 2013, to be coterminous with the BSCF grant, and increase the County's maximum obligation by an amount not to exceed the final grant award, subject to prior review and approval by County Counsel, and with notice to the Board and Chief Executive Office (CEO).

3. Delegate authority to the Director, or his designee, to extend the Agreement term for up to six additional months, under the same terms and conditions, for the completion of all deliverables at no additional cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Director to execute an Amendment, substantially similar to Exhibit I, to extend the Agreement term, as it is scheduled to expire December 31, 2012. The extension of this Agreement is needed for HMA to provide ongoing support for DHS in its ambulatory care transformation, and critical to DHS in continuing to restructure the County's health delivery system within the framework of the 1115 Waiver transition to health reform. The extended period of January 1, 2013 through June 30, 2013 will increase the cost by \$207,600 and increase the County's maximum obligation under this Agreement to \$2,127,806.

Under this Amendment, HMA will continue to assist the Department's Ambulatory Care Network (ACN) in three key areas: (1) ACN Finance, including the development of a Finance structure; (2) Health Home application development and submission for both DHS and the Department of Mental Health, including orientation for both departments' staff on program goals and requirements; and (3) special assignments as required for health care reform and organizational support and development at the discretion of the Ambulatory Care Network's CEO or designee.

Approval of the second recommendation will authorize the Director, or his designee, to amend this Agreement in the event DHS is awarded a grant from BSCF for up to \$250,000. DHS recently applied for this grant from BSCF for funding to secure two technical assistance consultants for the project, to ensure that Low-Income Health Program (LIHP) patients will have continuity of care with their physicians and specialists when Medi-Cal expansion and Affordable Care Act implementation occur in 2014. BSCF grant awards will be announced in December 2012 for a one-year grant period commencing on January 1, 2013. This authorization will ensure that DHS is able to commence the one year project on January 1, 2013.

Approval of the third recommendation will provide the Department and HMA reasonable flexibility to ensure all deliverables are completed and accepted, should any unforeseen delays occur.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operation Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The recommended Amendment to extend the term through June 30, 2013 will increase the maximum obligation by \$207,600, for a total maximum obligation of \$2,127,806.

Funding is included in the DHS FY 2012-13 Final Budget. Successful implementation of ambulatory care restructuring will create the opportunity for significant increased federal revenues under the Waiver's Low Income Health Program (a.k.a., Medicaid Coverage Expansion).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

ACN Transformation

On December 14, 2010, the Board authorized DHS to submit action items related to the 1115 Waiver to the Board on a standing agenda item designated as A-4. On June 21, 2011, the Board delegated authority to the Director or his designee to execute an agreement with HMA for consultant services to assist DHS with its ambulatory care restructuring and other initiatives to implement the California 1115 Waiver, for the period July 1, 2011 to December 31, 2011. Subsequently, the Board delegated authority to DHS to execute an amendment to this Agreement to extend the term through June 30, 2012, add deliverables, and increase the maximum obligation accordingly. On June 6, 2012, the Board authorized the Director, or his designee, to extend the Agreement term for the period July 1, 2012 through December 31, 2012, for the continued provision of Consultant Services to DHS.

DHS and HMA have made significant progress toward ambulatory care restructuring, and the proposed amendment continues the approach of gradually phasing out HMA's involvement as DHS staff are able to undertake the work. The recommended Amendment addresses the deliverables to be completed by June 30, 2013. ACN anticipates complete phase-out to occur by December 31, 2013.

Blue Shield of California Foundation Grant

In August of 2012, BSCF released a Request for Applications inviting responses from California safety net health care providers working together to improve integration of care delivery to better coordinate care for low-income populations. DHS, with the support of the Community Clinic Association of Los Angeles County (CCALAC) and L.A. Care, submitted a proposal to BSCF for funding to secure two technical assistance consultants. In the event that DHS is awarded the BSCF grant, DHS will retain HMA to serve as consultants to successfully implement all necessary contractual, fiscal, operational and technical support goals required to integrate DHS's specialty healthcare providers with the Health Care LA Independent Physician Association (IPA), by January 1, 2014. HMA will also explore opportunities to strengthen mental health referrals between the IPA and the County, as well as coordinate with regionally-based clinic partnerships to bring them into this network where possible.

The Agreement may be terminated for convenience by the County upon 10 days prior written notice.

County Counsel has approved Exhibit I as to form.

The Consultant service is not a Proposition A Agreement as the services are intermittent and as-needed and therefore, not subject to the Living Wage Program (Los Angeles County Code Chapter 2.201).

CONTRACTING PROCESS


Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

DHS has made significant progress in the past year. The ambulatory care team has embarked and accomplished a number of successful initiatives that will improve patient care. Approval of the recommendations will ensure 1) DHS is prepared as health reform evolves, 2) maximize Federal and State funding, and 3) support the progress made by the ambulatory care transformation, which is anticipated to create the opportunity for significant increased federal revenues under the Waiver's Low Income Health Program.

Also, in the event that DHS is awarded the BSCF grant, approval of the recommendations will enable DHS to expediently implement the Project that is intended to ensure that LIHP patients will have continuity of care with their physicians and specialists when Medi-Cal expansion and Affordable Care Act implementation occur in 2014.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.
Director

MHK:az

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors